

Washington, DC -- U.S. Representative Michael A. Arcuri (D-Utica) voted today for emergency legislation to rescue the American auto industry and protect local auto parts manufactures, car dealerships, and hundreds of area jobs.

“This is too big an industry and too important to America’s military and economic future to stand on the sidelines and risk the collapse of the industry,” **Arcuri said**.

Arcuri voted in favor of bipartisan legislation to aid the American auto industry, passed by the House of Representatives today, only after hearing from local car dealerships and area businesses like Magna (New Process Gear) who stressed that the Upstate economy would suffer if car companies failed. Last week, Arcuri visited the Borg Warner plant in Cortland to see first hand the impact of the auto industry on the local economy and workers.

The Auto Industry Financing and Restructuring Act (H.R. 7321), which now goes to the Senate, would provide up to \$15 billion in short-term bridge loans for the three largest American car companies. Loans are contingent on strict safeguards to ensure taxpayer money is used effectively and efficiently. The government will receive warrants for stock to allow taxpayers to profit from the companies’ recovery. ‘Super seniority’ for the federal bridge loans puts taxpayers ahead of all other lenders for repayment.

“Gambling that the market alone, without government help, will make the necessary adjustment to save this industry is a risk this country cannot now take,” Arcuri continued.

The legislation includes taxpayer protections such as:

- Concessions by labor to work with the companies in restructuring.
- The designation of a “Car Czar” by the President to hold car companies accountable for developing and implementing viable long-term restructuring plans and ensure compliance on financing efforts.
- A moratorium on shareholder dividends over the life of the loans.
- Bans on corporate excess, including no ‘golden parachutes,’ no bonuses for the 25 most highly paid employees at each company, and no corporate aircrafts.
- Oversight powers for both the Government Accountability Office and the Special Inspector General.

To ensure that American auto companies restructure in a manner that ensures long-term viability, international competitiveness, fuel efficiency, and reduced emissions, the “Car Czar” can require immediate repayment of the loan if the company has not made adequate progress by February 15th to develop a long-term restructuring plan. A company will get no more federal assistance if it fails to submit an acceptable final restructuring plan by March 31st. A company’s restructuring plan will not be approved unless the plan will result in the ability of the company to comply with applicable fuel efficiency and emissions requirements.

The legislation also calls for maintaining \$500 million in innovation funding set aside to help the industry build advanced technology vehicles that improve efficiency and reduce carbon emissions. Companies must analyze the potential for converting unused production facilities to the production of buses and rail cars for public transit agencies.

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